

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
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Technological Transition of the	)	GN Docket No. 12-353
Nations Communications	)	
Infrastructure	)	
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**COMMENTS OF WOMEN IMPACTING PUBLIC POLICY,  
SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL  
AND THE NATIONAL ASSOCIATION FOR MOMS IN  
BUSINESS IN RESPONSE TO COMMENT SOUGHT ON  
THE TECHNOLOGICAL TRANSITION OF THE  
NATION'S COMMUNICATIONS INFRASTRUCTURE**

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January 28, 2013

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Washington, DC 20554**

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Technological Transition of the  
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**Comments of  
Women Impacting Public Policy, Small Business & Entrepreneurship Council and the National  
Association for Moms in Business**

Women Impacting Public Policy (“WIPP”), the Small Business & Entrepreneurship Council (“SBE Council”), and the National Association For Moms in Business (“NAFMIB”), (collectively, “Joint Commenters” or “we”), file these Comments in support of AT&T’s Petition to Launch a Proceeding Concerning the TDM-to-IP Transition (“AT&T Petition” or “Petition”) and fully endorse this effort to promote the necessary national transition towards next-generation high-speed Internet Protocol (“IP”) broadband networks.

**I. Introduction and Summary**

We are pleased to write in support of this Petition that seeks a collaborative engagement between the Federal Communications Commission (“FCC” or “Commission”), private industry, and other stakeholders to jumpstart a process to identify how to transition to an all-IP advanced high-speed broadband network in the United States. Our particular interest in supporting the Petition arises from our conviction that universal adoption of these networks will directly expand markets and customers for small and women-owned businesses.

*A. The Commenters*

WIPP is a national nonpartisan public policy organization that educates and advocates for and on behalf of women and minorities in business and in support of expanding economic opportunities and in building bridges and alliances to other organizations supporting small business.

SBE Council is an influential voice and advocate for entrepreneurs and small business owners. As a non-

partisan, nonprofit advocacy, research and education organization with more than 100,000 members nationwide, SBE Council works to protect small business and promote entrepreneurship. It focuses on policies and initiatives that encourage start up activity and small business growth.

NAFMIB is the association representing the 15 million mothers who work as entrepreneurs and executives in American business. NAFMIB hosts numerous events for its members and encourages them to take advantage of technological changes that can positively impact their businesses.

### *B. Summary*

The Joint Commenters urge the Commission to grant, speedily, the Petition because of the numerous benefits that will accrue to small and women-owned businesses from the universal adoption of next-generation high-speed broadband services that the Petition encourages. Access to these networks is important for both consumers and businesses, and particularly so for small businesses given the important role they play in job creation and economic growth.

Prompt action by the Commission on the Petition is vitally important to the business owners we represent. Small and women-owned businesses increasingly rely on IP networks to open doors to new markets, expand customer bases, increase operational efficiencies and better meet the needs of customers, all of which, in turn, leads to job growth benefiting both the local and national economy. Ultimately, access to high-speed next-generation IP-enabled broadband will lower the costs and reduce barriers to starting businesses, thus promoting competition in the economy, and this technological change will itself encourage the innovation that fosters economic growth.

## **II. Small businesses are helping drive workforce growth and sustain the economy.**

Small businesses are a major, if not the dominant, factor in job growth in the United States. In a recent report commissioned by American Express OPEN, over the past decade, the growth in the number of women-owned firms with \$10 million or more in revenues has increased by 56.6%, a rate 47% faster than the rate of growth of all \$10 million firms and nearly twice the rate of growth of all women-owned firms. These young firms require access to fast, dependable networks competitively priced and free of regulatory burdens. As the

Commission itself noted in the National Broadband Plan, small businesses accounted for a majority of the more than 1.2 million new jobs generated by the growth of the Internet during the last 10 to 15 years. More broadly, data from the Kauffman Foundation show that new businesses were responsible for nearly all the new net jobs in the United States between 1980 and 2005. The Foundation further estimates that new businesses are responsible for approximately two million jobs each year.

Data from the U.S. Census Bureau highlights the role of small businesses in the American economy. In 2009, of the 5.8 million employer firms in the United States, firms with fewer than 20 workers made up nearly 90 percent (89.7 percent) of these businesses, while firms with fewer than 500 workers accounted for 99.7 percent.

For businesses of all types to succeed, including small businesses, it is increasingly important to harness the power and the value of the Internet to sustain and expand growth. According to a recent study from the Organization for Economic Cooperation and Development, up to 13% of U.S. business sector value added in the U.S. may be attributed to the Internet. With the increasing importance of broadband to business success and to economic growth, it is essential that the Federal Government, including the Commission, review policies and, where necessary, modernize regulations to ensure that companies will initiate new investments in America's Internet infrastructure. As the OECD study shows, this will have a positive impact not only in the Information and Communications Technology (ICT) sector, but in all business sectors.

### **III. Women, and mothers in particular, lead the way in starting and sustaining small businesses and are increasingly taking the lead in small business development.**

Some background on women in small business is important in understanding our views on the importance of the AT&T Petition. As has been the case for many years, women are leading the way in owning and operating small businesses in America. One often-quoted figure is that there are 15.6 million women business owners in the U.S. Women start small businesses at twice the rate of men, and women-owned firms spend over half a trillion (\$546 billion) annually on payroll and benefits. Of significant importance, ownership of a business is one of the most effective means of improving the financial well-being of women. In 1998, the average income of women-headed households with a business was \$60,892, more than 2.5 times that of such households without a business.

Similarly, the average net worth of women-headed households with a business was \$739,600, nearly six times than women without a business.

Within the general category of women, mothers in particular continue a growing tradition of small business development in America – and they are especially well poised to take advantage of the greater flexibility and ability to run a business remotely that all-IP broadband will offer. Too often, the importance of working mothers in the economy is underestimated. Fully 44 percent of women business owners have children under the age of 18; even more have older children and grandchildren. Among the executive ranks, 61 percent of female corporate executives have children. A company's policies towards working mothers is not just good policy but also good business; 86% of female business owners and executives not only consider a company's policies towards moms before purchasing but use the same company for both personal and business purchases.

Women business owners are moving rapidly to use the tools for success that all-IP broadband brings. According to the Business & Professional Women's Foundation 2011 Broadband Survey, women (particularly women small business owners) are conducting more broadband enabled activities at all times and in all facets of their lives, both personal and professional. Unsurprisingly, women business owners have a higher recognition of the need for high-speed Internet access, in comparison with women as a whole. Women business owners are incorporating both basic and advanced Internet tools into the daily activities of running their businesses, including using broadband for professional communications (89 percent of women business owners as compared to 73 percent of all women); research for professional use (77 percent vs. 58 percent); outreach and marketing (69 percent vs. 36 percent of the category of all respondents); and searching for government contracting opportunities (14 percent vs. 9 percent of all respondents). Each of these Internet-based activities, and the many applications that help business owners run their businesses remotely, expand opportunities, and save time and money.

**IV. The move to all IP-enabled networks and services unlocks significant competitive potential for small business and improves overall business performance while reducing cost and improving the customer experience.**

Many businesses already depend on the availability of high speed IP-enabled networks and services, with their increased efficiency and reliability, to engage current consumers, expand to a larger customer base and fully

compete in an IP-enabled world. For small businesses, often facing pressure from larger competitors, the advantages of IP are even greater. IP equalizes the game, making distance no longer an object in reaching new markets, permitting small businesses to become more nimble, and helping them reorient their marketing efforts to respond to customers' needs. For instance, high speed broadband services will assist small businesses in responding to changing customer preferences and also in improving customers' purchase and post-purchase experience through Web-based customer service systems and systems for online purchases.

The nationwide transition to IP-enabled networks, with their high bandwidth capacity capable of handling the data-intensive applications and services businesses need to remain competitive in the marketplace, will promote and encourage small business success. Importantly, greater use of broadband assists small businesses in saving two commodities that are invaluable to entrepreneurs – time and money. A recent study published by the SBE Council found that new entrepreneurs can save up to \$16,550.52 through reliance on the high-speed broadband Internet. These cost savings occur at all stages of a business' growth and for a variety of needs, ranging from using Voice over Internet Protocol services instead of traditional landline service (a 62.07 percent savings) to online web hosting and design (87.5 percent savings) to videoconferencing instead of travel (over a 94 percent savings).

As businesses expand their use of broadband, their savings increase. For small business, these savings are particularly important given the difficulty in accessing growth capital. Savings from broadband use may thus be redeployed into other areas that can generate additional revenue for the business. By reducing the costs associated with starting a business, the savings from broadband lower the barriers to entry into new markets for entrepreneurs with vision and motivation. This benefits not only the small businesses concerned but the economy as a whole.

**V. The Commission should address the technical and policy issues related to the IP transition in the proceeding envisioned by the Petition, rather than in the numerous pending petitions. The beta tests contemplated by the Petition provide the Commission with the best opportunity to examine carefully and address the complex policy and technical issues related to the buildout and use of IP-enabled networks.**

In December 2012, the Commission took a major step forward in making the IP transition a reality through Chairman Genachowski's announcement of the Technology Transitions Policy Task Force. While the need for

the IP transition is clear and the opportunity great, we must acknowledge the challenges involved and work towards implementing efficient and effective possible resolutions.

On a similar rationale to the Commission's establishment of the Task Force, we now advocate granting the Petition to address the many issues of the IP Transition. Given the complex and interlocking nature of the issues related to the IP transition and the magnitude of the decisions it must make, it would be far better from the standpoint of efficiency and fairness in regulation for the Commission to address these issues through the Petition rather than by reviewing and acting on many numerous petitions currently pending before it, many of which in turn seek explicit regulatory relief. The system of beta tests in select wire centers envisioned by the Petition offers a unique opportunity for the Commission, industry, state and local governments, and other stakeholders to work together to identify the areas in which regulations should be modernized to provide regulatory certainty and to ensure a level playing field on which all broadband service providers can compete. Equally important, granting the Petition will promote a national conversation on these issues, helping to define and develop a firm path forward to actual deployment of advanced next-generation IP-enabled networks nationwide that will strengthen our economy and preserve our global competitiveness in the Internet age.

More specifically, the beta trials that AT&T proposes in the Petition will provide the best opportunity for participation by all stakeholders. Concentrating the tests in one focal point for action both enhances administrative efficiency and increases the prospect of the Commission being able to take faster decisions, without sacrificing technical soundness. The faster these decisions are taken, the more rapidly the economy will see the many important consumer benefits that will result, including new competitive choices; better products, services, and devices; and greater functionality.

By contrast, a long, drawn-out process – as would naturally result from being forced to address each of the numerous other petitions on the IP transition individually – would likely substantially lead to several deleterious results. First, it would increase the cost of public stakeholder participation (and the burden to both public and private stakeholders) by requiring monitoring and possibly direct engagement in a large array of simultaneous proceedings, not all of which may be directly related to the IP transition. Second, it would increase the likelihood

of additional administrative and judicial review, leading to the potential for disparate treatment of similarly situated parties and the near-certainty of delays that would slow the transition to the all-IP future for which consumers and businesses are clamoring and which the Commission itself recognizes is so important for preserving American competitiveness.

**VI. Current outdated rules inhibit IP deployment by reducing the amount of capital available for communications providers to deploy advanced next generation high speed IP-enabled networks and services.**

At the same time, while speed in the IP transition is essential, equally so is the Government's responsibility to ensure wise regulatory rules to govern the IP future. Most fundamentally, government policies should enable businesses and consumers to take advantage of the tremendous opportunities that the IP transition offers. Policymakers, therefore, must take appropriate action – and only that appropriate action – which will set the stage for the private sector to invest in and build the robust 21st century networks that will provide businesses in all sectors with the strategic broadband advantage they will need to compete in the coming decades.

It is critical, therefore, that regulators, including the Commission, take steps that promote regulatory certainty in the marketplace, to encourage the significant, if not massive, investments that will be necessary to complete the IP transition. This investment, in turn, will bring competitive choices to the IP broadband market, and those who invest will seek small businesses as customers, given the vital importance of small and women-owned businesses in the American economy. Regulatory certainty and policies that promote investment, therefore, lead to a virtuous circle in which the result is more competition, more choice, and better service, while also assisting small and other businesses to expand their businesses, leading to growth in the general economy.

In contrast, maintaining any lingering regulations whose effect is to restrict investment and therefore slow the ubiquitous deployment of high speed next generation IP-enabled broadband to America's small businesses – so many of which depend on the Internet for developing new markets, increasing interaction with customers, and larger profits – would be both counterproductive and harmful. In sharp contrast to the scenario outlined above, preserving regulations designed for last century's technology would hinder investment, leading to a vicious cycle in which investment is hindered, depressing innovation and thus depressing additional investment.



The stakes could not be clearer. Current legacy regulations, which we believe have become outdated, require incumbent local exchange carriers (ILECs) to maintain two networks – a maintenance-heavy, legacy copper circuit-switched network that supports only traditional phone service and a next-generation, high-speed IP-based network. ILECs are spending significant capital and expending resources to build out and expand wireline and wireless IP networks, but this consumer-driven process has of necessity been slowed by the insistence that they must also continue to maintain the old copper networks.

This is the background that informs our comments and our belief that to drive the levels of new investment necessary to ensure a rapid transition to IP-based systems, the regulatory landscape must match the technological landscape of today. As the Commission has recognized, clearly there has been a convergence of technologies whereby cable, telephone, and satellite companies offer voice, video, and data-centric services to consumers. The days of 20<sup>th</sup> Century technology in which services were offered in silos to consumers are over.

Investment from broadband providers in next-generation, high-speed Internet services will benefit small businesses, women, and consumers everywhere. Maintaining monopoly-era rules for ILECs would deter that future investment in America's infrastructure at a time when the U.S. economy would benefit from significant infusion of capital to help all business sectors flourish. The unlevel playing field that currently exists for these incumbent telephone companies cannot be justified in today's competitive marketplace. Instead, policymakers must ensure a level playing field for all providers of IP-enabled broadband.

## **VII. The Petition should be granted**

For all the reasons described above, the Commission should grant the Petition and take concrete steps to begin the transition to all IP-enabled networks. AT&T's filing is designed to help drive economic growth, create new jobs and bring next generation high-speed Internet Protocol ("IP") networks to more American consumers and businesses. The stakes for small business creation, development and growth are high and it is so critical that we take the concrete steps to move to IP-enabled networks and services to preserve our global leadership.

Respectfully submitted,

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